

ORIGINAL

KANSAS CORPORATION COMMISSION  
OIL & GAS CONSERVATION DIVISION

RECEIVED  
KANSAS CORPORATION COMMISSION  
Form ACO-1  
September 1999  
Form Must Be Typed

AUG 01 2001

WELL COMPLETION FORM  
WELL HISTORY - DESCRIPTION OF WELL & LEASE

CONSERVATION DIVISION  
WICHITA, KS

Operator: License # 31609  
 Name: Priority Oil & Gas LLC  
 Address: PO Box 27798  
 City/State/Zip: Denver, CO 80227-0798  
 Purchaser: Midwest United Energy  
 Operator Contact Person: Jessica Trevino  
 Phone: (303) 296-3435  
 Contractor: Name: Stewart Brothers Drilling  
 License: \_\_\_\_\_  
 Wellsite Geologist: none  
 Designate Type of Completion:  
 New Well     Re-Entry     Workover  
 Oil     SWD     SLOW     Temp. Abd.  
 Gas     ENHR     SIGW  
 Dry     Other (Core, WSW, Expl., Cathodic, etc)  
 If Workover/Re-entry: Old Well Info as follows:  
 Operator: \_\_\_\_\_  
 Well Name: \_\_\_\_\_  
 Original Comp. Date: \_\_\_\_\_ Original Total Depth: \_\_\_\_\_  
 Deepening     Re-perf.     Conv. to Enhr./SWD  
 Plug Back     Plug Back Total Depth  
 Commingled    Docket No. \_\_\_\_\_  
 Dual Completion    Docket No. \_\_\_\_\_  
 Other (SWD or Enhr.?)    Docket No. \_\_\_\_\_  
 4/19/01    4/20/01    6/15/01  
 Spud Date or    Date Reached TD    Completion Date or  
 Recompletion Date       Recompletion Date

API No. 15 - 023-20416-0000  
 County: Cheyenne  
 \_\_\_\_\_ W/2, W/2, SW Sec. 24 Twp. 3 S. R. 42  East  West  
1360 feet from (S) / N (circle one) Line of Section  
335 feet from E / W (circle one) Line of Section  
 Footages Calculated from Nearest Outside Section Corner:  
 (circle one) NE SE NW (SW)  
 Lease Name: Raile Well #: 3-24  
 Field Name: Cherry Creek  
 Producing Formation: Beecher Island/Niobrara  
 Elevation: Ground: 3586 ✓ Kelly Bushing: 3591 ✓  
 Total Depth: 1587 ✓ Plug Back Total Depth: 1531  
 Amount of Surface Pipe Set and Cemented at 321 ✓ Feet  
 Multiple Stage Cementing Collar Used?  Yes  No  
 If yes, show depth set \_\_\_\_\_ Feet  
 If Alternate II completion, cement circulated from N/A  
 feet depth to \_\_\_\_\_ w/ \_\_\_\_\_ sx cmt.

**Drilling Fluid Management Plan** file 1 84 5-9-02  
 (Data must be collected from the Reserve Pit)  
 Chloride content 13300 ppm Fluid volume 570 bbls  
 Dewatering method used Evaporate  
 Location of fluid disposal if hauled offsite: \_\_\_\_\_  
 Operator Name: \_\_\_\_\_  
 Lease Name: \_\_\_\_\_ License No.: \_\_\_\_\_  
 Quarter \_\_\_\_\_ Sec. \_\_\_\_\_ Twp. \_\_\_\_\_ S. R. \_\_\_\_\_  East  West  
 County: \_\_\_\_\_ Docket No.: \_\_\_\_\_

**INSTRUCTIONS:** An original and two copies of this form shall be filed with the Kansas Corporation Commission, 130 S. Market - Room 2078, Wichita, Kansas 67202, within 120 days of the spud date, recompletion, workover or conversion of a well. Rule 82-3-130, 82-3-106 and 82-3-107 apply. Information of side two of this form will be held confidential for a period of 12 months if requested in writing and submitted with the form (see rule 82-3-107 for confidentiality in excess of 12 months). One copy of all wireline logs and geologist well report shall be attached with this form. ALL CEMENTING TICKETS MUST BE ATTACHED. Submit CP-4 form with all plugged wells. Submit CP-111 form with all temporarily abandoned wells.

All requirements of the statutes, rules and regulations promulgated to regulate the oil and gas industry have been fully complied with and the statements herein are complete and correct to the best of my knowledge.

Signature: [Handwritten Signature]  
 Title: Admin Asst Date: 7/26/01  
 Subscribed and sworn to before me this 20<sup>th</sup> day of July  
2001  
 Notary Public: [Handwritten Signature]  
 Date Commission Expires: 3/29/05

**KCC Office Use ONLY**

Letter of Confidentiality Attached  
 If Denied, Yes  Date: \_\_\_\_\_  
 Wireline Log Received  
 Geologist Report Received  
 UIC Distribution  
KCC

X

# ORIGINAL Side Two

Operator Name: Priority Oil & Gas LLC Lease Name: Raile Well #: 3-24  
 Sec. 24 Twp. 3 S. R. 42  East  West County: Cheyenne

**INSTRUCTIONS:** Show important tops and base of formations penetrated. Detail all cores. Report all final copies of drill stems tests giving interval tested, time tool open and closed, flowing and shut-in pressures, whether shut-in pressure reached static level, hydrostatic pressures, bottom hole temperature, fluid recovery, and flow rates if gas to surface test, along with final chart(s). Attach extra sheet if more space is needed. Attach copy of all Electric Wireline Logs surveyed. Attach final geological well site report.

Drill Stem Tests Taken  Yes  No  
*(Attach Additional Sheets)*

Samples Sent to Geological Survey  Yes  No

Cores Taken  Yes  No

Electric Log Run  Yes  No  
*(Submit Copy)*

Log Formation (Top), Depth and Datum  Sample

Name Top Datum

Niobrara  
 Beecher Island 1386 2205 msl

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 WICHITA, KS

CASING RECORD <input checked="" type="checkbox"/> New <input type="checkbox"/> Used							
Report all strings set-conductor, surface, intermediate, production, etc.							
Purpose of String	Size Hole Drilled	Size Casing Set (In O.D.)	Weight Lbs. / Ft.	Setting Depth	Type of Cement	# Sacks Used	Type and Percent Additives
Surface	9 7/8 in	7 in	24 #	321	Reg	90	3%cc, 1/4#sk flocele
Production	7 7/8 in	4 1/2 in	10.5 #	1573	50/50 Pozmix	100	2% gel, 10%salt

ADDITIONAL CEMENTING / SQUEEZE RECORD				
Purpose:	Depth Top Bottom	Type of Cement	#Sacks Used	Type and Percent Additives
<input type="checkbox"/> Perforate <input type="checkbox"/> Protect Casing <input type="checkbox"/> Plug Back TD <input type="checkbox"/> Plug Off Zone				

Shots Per Foot	PERFORATION RECORD - Bridge Plugs Set/Type Specify Footage of Each Interval Perforated	Acid, Fracture, Shot, Cement Squeeze Record <i>(Amount and Kind of Material Used)</i>	Depth
1	1390-1420	500 gal, 7.5% HCl, CO2 foam frac w/ 74,820 20/40# 25,000 12/20#	1390- 1420

TUBING RECORD		Size	Set At	Packer At	Liner Run	<input type="checkbox"/> Yes <input type="checkbox"/> No
Date of First, Resumed Production, SWD or Enhr.		Producing Method				
Estimated Production Per 24 Hours		Oil Bbls.	Gas Mcf	Water Bbls.	Gas-Oil Ratio	Gravity

Disposition of Gas  Vented  Sold  Used on Lease *(if vented, Sumit ACO-18.)*

METHOD OF COMPLETION

Open Hole  Perf.  Dually Comp.  Commingled

Other *(Specify)* \_\_\_\_\_

Production Interval

AUG 01 2001

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CONSERVATION DIVISION  
WICHITA, KS

# 9/ 22

505 287 7660

7-19-01; 4:05PM; Stewart Brothers

Ticket

**DELIVERY TICKET**

**ST. FRANCIS SAND**      No. **008982**  
AND  
**Redi-Mix**

P. O. Box 281 ST. FRANCIS, KS. 67756  
**REDI-MIX CONCRETE**  
Phone: **332-3123**      **EXCAVATING**

Date: 4-19-01

PROJECT: Raile 3-24

SOLD TO: Stewart Brothers

ADDRESS: DWT 413

Time Loaded	It is agreed that free unloading time shall be 15 minutes for each first cubic yard and 10 minutes for each yard thereafter. A charge of \$1.00 for each 10 minutes excess time will be made.  Delivery inside curb line made only at risk of purchaser. No damage claims considered without proof of driver negligence.
Time Delivered	
Time Released	
Time Returned	

Rec'd by: Jimmy Stewart

Truck No.	Driver	Quantity	Price	Amount
		<u>92.5</u>	<u>1750</u>	<u>675 00</u>
Mix	Stamp	Total Miles	Mileage	
<u>92.5</u>	<u>S-M-D</u>	<u>16.2</u>	<u>2.0</u>	<u>33 60</u>
Gals Added      Authorized By: <u>Looney</u>				<u>50 00</u>
Cash	Charge	Sales Tax		<u>175 00</u>
		Total		<u>50 02</u>
				<u>775 02</u>

Added Water Reduces Strength & durability

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WICHITA, KS

Ticket

DELIVERY TICKET

**ST. FRANCIS SAND**

AND

**Redi-Mix**

P. O. Box 281 ST. FRANCIS, KS. 67756

**REDI-MIX CONCRETE**

**EXCAVATING**

Phone 332-3123

No. **6J8987**

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MAY 04 2001

Date 5-21-01

PROJECT: 3-24 Route

SOLD TO: Prouty 24 Bus

ADDRESS: \_\_\_\_\_

Time Loaded	It is agreed that free unloading time shall be 15 minutes for each first cubic yard and 10 minutes for each yard thereafter. A charge of \$1.00 for each 10 minutes excess time will be made.  Delivery inside curb line made only at risk of purchaser.  No damage claims considered without proof of driver negligence.
Time Delivered	
Time Released	
Time Returned	

Rec'd by: Shelton Amitt

Truck No.	Driver	Quantity	Price	Amount
		<u>100 cu yd</u>	<u>750</u>	<u>750 00</u>
Mix	Slump	Total Miles	Mileage	
	S - M - D	<u>11</u>	<u>280</u>	<u>118 50</u>
Added Water Reduces Strength & durability				
Gals Added	Authorized By <u>[Signature]</u>			<u>50 00</u>
PAID				
MAY 04 2001				<u>823 10</u>
Cash	Charge	Sales Tax		<u>56 79</u>
BY: _____		Total		<u>879 89</u>

DAILY DRILLING REPORT  
 NIOBRARA DEVELOPMENT WELL

ORIGINAL

WELL NAME <b>3-24 Raile</b>	24 HR PROG <b>324</b>	WID <b>329</b>	IWD ---	REPT # <b>9</b>	DATE <b>4-20-01</b>
SUPERVISOR <b>Walt Smith</b>	RIG NAME & # <b>Stewart 51</b>	FIELD NAME	AUTH ID <b>1679</b>	DAILY TANG \$	CUM TANG \$
CURRENT STATUS <b>Drilling out Cement in surf</b>				DAILY INT \$	CUM INTANG \$
24 HR FORECAST <b>Drill to TD, Log, Run &amp; Cement Prod Csg</b>				DAILY TOTAL \$ <b>11460</b>	CUM COST \$ <b>11460</b>
LITHOLOGY <b>Clay, sh, sd</b>	LAST CASING IN @ <b>321</b> FT	NEXT CASING IN @ <b>472</b> FT		AFE #	AUTH COST \$

MUD DATA		ADDITIVES		BIT RUN DATA		STROKE	
DENS (ppg)	VIS (cpd)	QTY	QTY	BIT #	DEPTH IN	DEPTH OUT	STROKE
9.1	41	Gel	14	1	5	329	10
NC	NC	Dispac	1	SIZE (in)	9 7/8	WOB (lb)	5
		Code Ash	1	MFR	NA	RPM	72
		Polymer	2	TYPE	NA	OUTPUT (gpm)	195
		Rings out	2	SERIAL #	NA	PRESS (psi)	
				TESTS (oz)	18.4, 16		

FROM	TO	HOURS	OPERATIONS SUMMARY
0700	0830	1 1/2	MIRU Notify Herb Dymess, KCC, 4-9-01, 15:00
0830	0930	1	Mix Mud Build Volume
0930	1415	4 3/4	Drilling 5 - 329' KB Shale @ 175' KB
1415	1430	1/2	Circulate @ 329' KB
1430	1630	2	TOOTH TIM Wiper Trip
1630	1645	1/4	Circulate @ 329' KB
1645	1730	3/4	TOOTH
1730	2100	3 1/2	RAN 14 H <sub>2</sub> O (316 <sup>05</sup> ) Used 7" 17 <sup>0</sup> H-40 10 rd 5TC Open-ended casing w/ 1 centralizer landed @ 321' KB.
2100	2130	1/2	Circ Casing @ 321' KB
2130	2200	1/2	Pump 7 Bbl fresh water pretwash, 90 SX regular w/ 3% cc premixed @ 15.3 RPB, displaced w/ 12.5 Bbl Mud. Circ 2 Bbl Cement to surface Cement in place @ 22:00.
2200	0600	8	WOC
0600	0700	1	Drilled out 20' Cement Rig 9 7/8 hole 9720 Water source 250 Rig haul wtr 225 Handle Csg 200 Dig pits 200 PLI 565 Rd & Loc 200 Kevin 180 / 11460

24 HR SUMMARY  
 MIRU, drill surface hole, run & cement surf Csg  
 WOC. PAGE 1 of 1

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 JAN 22 2002  
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DAILY DRILLING REPORT  
NIOBRARA DEVELOPMENT WELL

ORIGINAL

WELL NAME 3-24 Raile	24 HR PROG 1258	TMD 1587	TVD —	REPT # 2	DATE 4-21-01		
SUPERVISOR Walt Smith	RIG NAME & # Stewart 51	FIELD NAME Cherry Cr	AUTH ID 1679	DAILY TANG \$ —	CUM TANG \$ —		
CURRENT STATUS Circ Casing - Prep to Cement	24 HR FORECAST Cement Prod Csg, Change Up work hood			DAILY INT \$ —	CUM INTANG \$ —		
LITHOLOGY Shaley Chalk	LAST CASING 4 1/2 IN @ 1573	NEXT CASING — IN @ —	DAILY TOTAL \$ 30,641	CUM COST \$ 42,101	AUTH COST \$ —		
MUD DATA		ADDITIVES	QTY	BIT RUN DATA		PUMP DATA	
DENS (lb/gal)	9.0	KCL	98	BIT #	2	STROKE	10
VIS (sec/cf)	35	Starch	54	SIZE (in)	6 1/4	DEPTH IN	5
WL-API	3.2	Dispers	3	MFR	Moob	DEPTH OUT	72
PH	8.5	Rings out	3	TYPE	Drag	WOB (lb)	195
		Petro Lube	1	SERIAL #	—	min/max RPM	240
		Surf Drill	1	REIS 10/3	TT		
FROM	TO	HOURS	OPERATIONS SUMMARY				
0700	0930	2 1/2	Drill 329 - 885' KB				
0930	1200	2 1/2	Rig Repair - Driveline				
1200	1915	6 1/4	Drill 885 - 1587' KB				
1915	2015	1	Circulate @ 1587' KB				
2015	2100	3/4	Short Trip 1587 - 1205				
2100	2130	1/2	Circulate @ 1587' KB				
2130	2300	1 1/2	Lay down drift string				
2300	0215	3 1/4	Schlumberger Van 2-logs: DIL 1577-322, CNL-FDC 1567-600, LOG TD 1585, Beecher Island 1387-1420, Ave Res 5, min 4, max 9, Ave xv 1387-1412 20%, 1412-1420 27%.				
0215	0245	1/2	Rig up run casing				
0245	0600	3 1/4	Run Prod Casing Run SS Float shoe 1.42' on 39 JTs (1567.98') new 4 1/2 10 <sup>5</sup> J-55 8ad 5TC casing, Total 1569.40' set @ 1573' KB. PBTD 1531' KB.				
0600	0700	1	Circulate Casing @ 1573' KB				
24 HR SUMMARY			Drill to TD, Log, run Prod Csg.				

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**DAILY DRILLING REPORT**  
**NIOBARRA DEVELOPMENT WELL**

**ORIGINAL**

WELL NAME <b>3-24 Raile</b>	24 HR PROG <b>-0-</b>	TMD <b>1587</b>	TVD <b>-</b>	REPT # <b>3</b>	DATE <b>4-22-01</b>
SUPERVISOR <b>Walt Smith</b>	TRIG. NAME & # <b>Stewart 51</b>	FIELD NAME <b>Cherry Cr</b>	AUTH. ID <b>1679</b>	DAILY TANG \$	CUM TANG \$
CURRENT STATUS <b>WOC Prod Casing</b>				DAILY INT \$	CUM INTANG \$
24 HR FORECAST <b>WOC</b>				DAILY TOTAL \$	CUM COST \$ <b>42101</b>
LITHOLOGY <b>-</b>	LAST CASING <b>4 1/2</b>	IN @ <b>1573</b>	NEXT CASING <b>-</b>	IN @ <b>-</b>	AUTH COST \$

MUD DATA		ADDITIVES	QTY.	BIT RUN DATA				PUMP DATA												
DENS (ppg)	VIS (sec/qt)	WL- API	pH	BIT #	SIZE (in)	MFR	TYPE	SERIAL #	TESTS 1/2/3	BIT #	DEPTH IN	DEPTH OUT	WOB (lb)	RPM	STROKE	LINEAR	SPM	OUTPUT (gpm)	PRESS (psi)	

FROM	TO	HOURS	OPERATIONS SUMMARY
0700	0730	1/2	Circulate Casing @ 1573' KB
0730	0800	1/2	Pump 10 bbl Fresh Water pre flush, 100 58 regular premixed @ 15.3 PPG, Wash out lines, displace latch down plug to a shut off w/ 24.3 bbl Fresh Water, Good Circulation while cementing. Plug down @ 08:00
0800	0830	1/2	Hang casing w/ 14,000#, Flange up well head. Rig Released @ 08:30
0830	-		Rigging Down
			Rig 6 3/4 hole 16354
			Rig haul wt 150
			Rig DW 3 1/2 963
			Well head 575
			Schlumberger 4000
			Float Equip 775
			handle Csg 200
			Casing 6079
			Cement 880
			PCI 565
			Kevin 100
			30641

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